

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
	:	
v.	:	DATE FILED: _____
	:	
CRAIG H. REINHARD	:	VIOLATIONS:
DEBRA R. BZIK	:	18 U.S.C. § 1341 (mail fraud -1 count)
	:	18 U.S.C. § 1001 (false statement to
	:	a government agency -1 count)
	:	18 U.S.C. § 2 (aiding and abetting)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

_____ 1. Defendants CRAIG H. REINHARD and DEBRA R. BZIK were co-owners of IDPM Group, Inc. (IDPM), a business located at 7540 Windsor Drive, Suite 107, Allentown, Pennsylvania. IDPM was primarily a benefit counseling service and insurance agency which also sold financial investments. Defendant REINHARD was primarily responsible for sales of IDPM services and the presentation of benefits seminars at various locations around the United States. Defendant BZIK was a Certified Public Accountant who was responsible for office management and also maintained IDPMs books and records and handled financial transactions for the company.

THE SCHEME

2. From at least in or about 1994, through in or about February, 2006, in the Eastern District of Pennsylvania and elsewhere, defendants

CRAIG H. REINHARD and DEBRA R. BZIK

devised and intended to devise a scheme to defraud approximately 70 investors of approximately \$3,661,248.76, and to obtain money and property by means of knowingly making false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant CRAIG H. REINHARD, acting on behalf of IDPM, sold “Liberty Certificates of Deposit” (Liberty CD) and “Freedom Certificates of Deposit” (Freedom CD) to investors. Defendant REINHARD personally sold these certificates, and also sold them through Persons #1, Person #2 and Person #3 known to the United States Attorney. Person #1 was located in West Virginia; Person #2 was located in Massachusetts; and Person #3 was located in Allentown, Pennsylvania.

4. Defendant CRAIG H. REINHARD and Persons #1, #2 and #3 assured investors, many of whom were family members, close friends or clients of defendant REINHARD and Persons #1, #2 and #3, that the Liberty and Freedom CDs were insured by the Federal Deposit Insurance Corporation (FDIC), and that the investments would be safe because they were insured by the United States government. Potential investors were also assured that the investments would pay a higher rate of return than FDIC insured certificates of deposit sold

by banks. At all times when defendant REINHARD and Persons #1, #2 and #3 assured investors that the Liberty and Freedom CDs were a completely safe investment insured by the FDIC, defendant REINHARD well knew that the Liberty and Freedom CDs were completely worthless, and were not insured by the FDIC.

5. Defendant CRAIG H. REINHARD promised to make interest payments to some investors, most of whom were senior citizens. Other investors did not expect interest until the maturity date of the CD.

6. Defendant DEBRA R. BIZIK provided interest checks to investors to whom defendant CRAIG H. REINHARD had promised interest payments, and sent statements through the United States mail to all investors. These statements made it appear that the CDs were legitimate investments which had accrued interest. At the time these statements were mailed, however, defendant BZIK well knew that the monies from new investors or additional investments by existing investors were being used to: (1) pay interest and/or repay principal for existing investors and/or investments; (2) pay business expenses for IDPM; (3) pay commissions for sales of the fictitious CDs by Persons #1, #2 and #3; (4) and pay salary and personal expenses for defendants REINHARD and BZIK.

7. As an added inducement for some investors to purchase worthless CDs from IDPM, defendant DEBRA R. BZIK agreed to prepare these investors' income tax returns without charge.

8. When some investors learned that the Liberty and Freedom CDs they had purchased were not genuine CDs and were not FDIC insured, defendants CRAIG H. REINHARD and DEBRA R. BZIK attempted to prevent other investors from discovering that

the CDs were worthless and were not insured by the FDIC, and from finding out that IDPM was under investigation by the United States Securities and Exchange Commission. Defendant REINHARD falsely told some investors that defendant REINHARD had himself been defrauded by the individuals who had supplied the CDs to IDPM, and fraudulently promised investors that their money would be returned by IDPM if the investors agreed to sign documents which characterized their investments in the CDs as loans to IDPM. Defendants REINHARD and BZIK also continued to make interest payments to some investors in an effort to prevent those investors from demanding the return of their principal or notifying the authorities.

9. As a result of the actions of defendants CRAIG H. REINHARD and DEBRA R. BZIK, the following investors, all of whom purchased or reinvested funds in Liberty or Freedom CDs between in or about 1997 through in or about December, 2006, invested funds which were not returned to them as promised:

<u>INVESTOR</u>	<u>AMOUNT OF INVESTMENT</u>
R.A. & S.A.	\$ 45,000
L.B.	\$ 30,000
W.B.	\$ 96,000
J.B.	\$139,800
K.B.	\$ 16,000
S.B.	\$ 5,000
D.B. & J.B.	\$ 25,000
J.C. & K.C.	\$ 25,000
C.C. & T.C.	\$ 45,000

<u>INVESTOR</u>	<u>AMOUNT OF INVESTMENT</u>
M.C. & L.C.	\$ 50,000
E.D.	\$ 30,000
R.D.	\$ 60,000
C.D.	\$ 40,000
M.D. & C.D.	\$ 215,000
J.D. & J.D.	\$ 130,000
L.E. & E.E.	\$ 324,282
S.F.	\$ 42,500
J.F.	\$ 42,500
M.F.	\$ 229,583
A.F.	\$ 25,000
K.F.	\$ 10,000
G.G. & T.G.	\$ 65,000
M.G. & G.G.	\$ 75,000
P.G.	\$ 100,000
L.G.	\$ 33,970
B.H.	\$ 12,000
T.H.	\$ 243,426
M.J. & R.J.	\$ 60,000
M.K. & S.K.	\$ 100,000
R.K. & P.K.	\$ 25,000

<u>INVESTOR</u>	<u>AMOUNT OF INVESTMENT</u>
E.L.	\$ 40,000
A.L.	\$ 25,000
M.M.	\$ 25,000
C.M.	\$ 20,000
E.M.	\$ 33,699
J.M.	\$ 20,000
B.M.	\$ 45,000
E.M.	\$ 20,000
J.P.	\$ 55,000
S.P. & J.P.	\$ 26,500
J.P.	\$ 54,981
R.R.	\$ 28,751
D.R. & V.R.	\$ 49,500
A.S.	\$ 65,000
D.S. & E.S.	\$ 53,000
J.S.	\$ 60,000
V.S.	\$ 15,000
B.T.	\$ 95,800
L.T.	\$ 100,000
S.W.	\$ 362,654
N.Y & A.Y.	\$ 10,000

<u>INVESTOR</u>	<u>AMOUNT OF INVESTMENT</u>
V.Y.	\$ 10,000
T.Y.	\$ 106,300

10. On or about July 5, 2005, in the Eastern District of Pennsylvania and elsewhere, defendants

**CRAIG H. REINHARD and
DEBRA R. BZIK,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly caused to be delivered by mail according to the directions thereon, an interest check from IDPM, Allentown, Pennsylvania addressed to investor A.S. in South Easton, Massachusetts.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1 and paragraphs 3 through 9 of Count One are realleged here.
2. On or about March 21, 2006, at Philadelphia, in the Eastern District of Pennsylvania, defendants

**CRAIG H. REINHARD and
DEBRA R. BZIK,**

in a matter within the jurisdiction of the Securities and Exchange Commission, an agency of the executive branch of the United States, knowingly and willfully falsified, concealed, and covered up, and aided and abetted the falsification, concealment, and cover up, by any trick, scheme, or device a material fact, in that defendants REINHARD and BZIK submitted to the Securities and Exchange Commission documents, which had been altered and/or withheld to make it appear that: (1) fewer than 50 investors had purchased fictitious certificates of deposit, when as the defendants well knew, more than 50 investors had purchased fictitious certificates of deposit; and (2) commissions had not been paid to Persons #1, #2 and #3 known to the United States Attorney for their assistance in the sale of fictitious certificate deposits to investors, when as the defendants well knew, Persons #1, #2 and #3 had received commissions for the sale of worthless certificates of deposit to investors.

In violation of Title 18, United States Code, Sections 1001(a)(1) and 2.

PATRICK L. MEEHAN
United States Attorney